

Facebook Kills 'Oculus' Trademark Suit

By **Bill Donahue**

Law360, New York (June 9, 2015, 5:08 PM ET) -- A federal judge on Tuesday tossed trademark claims filed against Facebook Inc.'s Oculus VR by a video hosting service called Oculu LLC, ruling that the goods and services offered by two firms were far too different for consumers to be confused by similar names.

The ruling largely resolves a lawsuit filed in early 2014 — just a month before Facebook announced it would buy the virtual reality startup for \$2 billion — over accusations of so-called reverse confusion: That mass infringement by the trendy Oculus would make consumers think Oculu was merely an affiliate of the bigger company.

In granting summary judgment to Oculus, U.S. District Judge David O. Carter said the services the two companies offer under the similar-looking names — virtual reality headsets from Oculus, video hosting from Oculu — were not related to each other, nor was there any evidence that they would become so anytime soon.

"Plaintiff envisions a future in which it will help customers display web-based videos that can be viewed by end users using apps purchased from defendant's app store on defendant's VR devices," the ruling said. "It fears that its customers or potential customers will then think that Plaintiff's services are somehow sponsored by or connected with Defendant."

"If a day should come when Plaintiff is actually in that position or is on the verge of being in that position, it may have a reverse confusion claim at that time," the judge said. "[But] plaintiff has pointed to no legal authority that a trademark infringement claim can succeed based on anticipatory infringement that is as speculative as is the case here."

The judge did, however, refuse Oculus' request that he summarily cancel the smaller company's trademark registration on its name. That issue will be decided in a bench trial at some point in the future.

Oculu sued in February 2014, claiming that Oculus founder Palmer Luckey "chose a brand that causes confusion within the industry and among consumers, customers and potential customers."

"It could have adopted any number of trademarks," Oculu's complaint said. "Instead Mr. Luckey and the defendants chose Oculus, which is similar in appearance, sound and commercial impression to Oculu."

Oculu was founded in 2003 as Innovate Media, rebranded to Oculu in 2010, and received a trademark

registration for its name in 2011. Luckey, meanwhile, launched Oculus in April 2012, and the company raised more than \$2.4 million through the online funding platform Kickstarter later that year to develop its first product, the Oculus Rift virtual reality headset. Facebook bought the firm in March 2014.

In moving to boot the case in April, Oculus called Oculu “an opportunistic company attempting to misuse trademark law to obtain an unjust windfall.”

“The undisputed evidence demonstrates that there is no likelihood of confusion here and consumers simply do not associate the parties’ products and services,” the filing said.

Oculu is represented by Olivier A. Taillieu of The Taillieu Law Firm.

Oculus is represented by by Bobby Ghajar, Marcus D. Peterson and Grace E. King of Pillsbury Winthrop Shaw Pittman LLP; and by Mike Rhodes, Ben Kleine, Amanda Main, Shawna Benfield, Janet Cullum and Karen Won of Cooley LLP.

The case is Oculu LLC v. Oculus VR Inc., case number 8:14-cv-00196, in the U.S. District Court for the Central District of California.

— Editing by Ben Guilfoy.